

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6993

BILL NUMBER: SB 324

NOTE PREPARED: Jan 2, 2013

BILL AMENDED:

SUBJECT: State Employee Death Benefit.

FIRST AUTHOR: Sen. Miller Pete

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill increases from \$50,000 to \$100,000 the death benefit for a state employee who dies in the line of duty.

Effective Date: July 1, 2013.

Explanation of State Expenditures: From FY 2003 through FY 2012, ten lump sum death benefit payments have been made from the State Employees' Death Benefit fund to survivors of state employees who died in the line of duty. This totals \$500,000 over ten years, or \$50,000 in benefits payable per year. Increasing the survivor benefit payment from \$50,000 to \$100,000 is estimated to cost the fund approximately \$50,000 in additional benefit payments each year based on recent history.

The Indiana Public Retirement System (INPRS) oversees the fund on behalf of the state and utilizes a program of self-insurance to pay benefits out of the fund. Between October 1993 and November 1999, the state assessed state agencies 0.1% of gross pay to fund this program. Due to the current size of the fund (\$7.7 M) and the infrequency of payment to survivors, collection of the assessment has not been considered necessary since that time. Assuming that the number of payments out of the fund remain consistent, it will most likely not be necessary for INPRS to reinstitute the employer assessment for the foreseeable future. Between FY 2011 and FY 2012, the fund increased by \$336,000, or 4.6%, in value, due to investment income.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All; INPRS.

Local Agencies Affected:

Information Sources: Greg Witter, INPRS, gwitter@inprs.in.gov; *INPRS 2012 Comprehensive Annual Financial Report*.

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